

Washington State Auditor's Office
Accountability Audit Report

City of Lake Forest Park
King County

Audit Period
January 1, 2003 through December 31, 2003

Report No. 67608

Issue Date
December 3, 2004



Washington
State Auditor
Brian Sonntag

Audit Summary

**City of Lake Forest Park
King County
January 1, 2003 through December 31, 2003**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Lake Forest Park for the period January 1, 2003, through December 31, 2003.

We performed audit procedures to determine whether the City complied with state laws and regulations and its own policies and procedures. Our work focused on specific areas that have potential for abuse and misuse of public resources.

RESULTS

The City complied with state laws and regulations. We did not identify any areas that were significant enough to report as findings.

RELATED REPORTS

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements.

CLOSING REMARKS

We appreciate the City's prompt attention to resolving prior audit issues and its commitment to ensuring compliance with conditions reported this audit. We thank City officials and personnel for their assistance and cooperation during the audit.

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King County
January 1, 2003 through December 31, 2003**

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Description of the City

City of Lake Forest Park King County January 1, 2003 through December 31, 2003

ABOUT THE CITY

The City of Lake Forest Park serves 12,770 residents within King County and is north of the City of Seattle. It has a mayor-council form of government. The Mayor appoints and the City Council confirms a City Administrator who is responsible for coordinating the day-to-day operations. The City adopts an annual budget. The current operating budget is approximately \$6.5 million. The City has 58 full- and part-time employees, and provides police, Court, public works and sewer utility services.

AUDIT HISTORY

The City is audited annually. During the last five audits, we have reported no findings. Our audit recommendations have been positively acknowledged by the City.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
City Council:

David R. Hutchinson
Carolyn Armanini
Mary Jane Goss
Nate Herzog
Alan Kiest
Roger Olstad
Ed Sterner
Dwight Thompson

APPOINTED OFFICIALS

City Administrator
City Attorney
City Clerk
Chief of Police
Director of Public Services
Finance Director
City Engineer

Karen Haines
Mike Ruark
Susan Stine
Dennis Peterson
Frank Zenk
John Hawley
Neil Jensen (hired April 1, 2003)

ADDRESS

City

17425 Ballinger Way Northeast
Lake Forest Park, WA 98155

Audit Areas Examined

City of Lake Forest Park King County January 1, 2003 through December 31, 2003

In keeping with general auditing practices, we do not examine every portion of the City of Lake Forest Park's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the City were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the City's accountability in the following areas:

- Cash receipting and revenues (building permits, sewer utility, municipal court)
- Payroll
- Purchase of goods and services
- Financial statement preparation and journal entries

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Deposit and investment of public funds
- Timely deposit of public funds
- Use of restricted funds
- Required financial schedules
- Risk management
- Budgeting requirements
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Competitive bid law compliance
- Police citations
- Bond covenants
- Allowable expenditures
- Interfund transactions
- Council compensation

FINANCIAL AREAS

Our opinion on the City's financial statements is provided in a separate report. That report includes the City's financial statements and other required financial information. We examined the financial activity and balances of the City including:

- Cash and investments
- Revenues
- Expenditures
- Long-term debt
- Overall presentation of the financial statements